

SUMMARY OF COMMENTS

CUSTOMER NOTICE

WAC 480-120-X14, X15

UT-990146

Chapter 480-120 - Telephone Companies

March 1, 2000

WAC/Issue	Interested Person	Comment	Staff Response
WAC 480-120-X14 Customer notice - non-competitive telecommunications company. WAC 480-120-X15 Customer notice - competitively classified telecommunications companies.	GTE WITA	<p>This rule should not be adopted. There is no current, demonstrable need for this rule.</p> <p>See comments of suggested language change.</p>	<p>This proposed rule, as USW stated in its comments, “makes clear under what circumstances notice is reasonable and gives companies fair notice as to when they will be required to notice customers.” Our goal is to ensure that customers receive the full benefits of competition. This requires that they be informed about changes to their service in a timely and clear manner.</p> <p>GTE and WITA companies have a good record of meeting these notice requirements as practiced in the past. A customer notice rule will assist companies in its planning process for proposed changes by allowing enough time for adequate planning to ensure all affected customers receive notice.</p>

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<p>WAC 480-120-X14 Customer notice - non-competitive telecommunications company.</p> <p>WAC 480-120-X15 Customer notice - competitively classified telecommunications companies.</p>	Sprint	<p>This is an expansion of the current notice requirements and does not seem to comport with any mandate to make the rules more efficient or streamlined. Alternative methods of notification such as newspaper or other local advertising are not allowed. The 30-day notice to customer seems excessive for price listed services, which generally permit the company to make changes on 10 day notice. The competitive marketplace is a sufficient control over firm's business practices. The law recognizes this fact in RCW 80.36.320(2), which states that competitive telecommunications companies shall be subject to minimal regulation.</p>	<p>This draft customer notice streamlines the notice process for companies by stating clearly what are the notice expectations.</p> <p>Sprint's comments referring to a thirty day notice for price listed services is incorrect. For a competitively classified company, the notice requirements are 10 days prior to the effective date to all affected customers.</p> <p>Notices in newspapers and other alternative methods are allowed as long as the affected customer receives direct notice of the rate change. Newspapers as identified in the comments with USW can not assure direct notice but they are encouraged as a supplement to direct notice.</p> <p>Sprint suggests that a competitive marketplace provides sufficient control so as to replace the need for a customer notice requirement. Staff believes an informed customer is an essential element to a competitive marketplace and that notice requirements fits under the definition of minimal regulation.</p>

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	U S WEST	<p>(1)(c)(iii) Companies cannot ensure what customers will or will not understand and cannot therefore reasonably be held to such a standard.</p> <p>(1)(c)(v-vi) A comparison of rates is unnecessary and over-burdensome. Customers simply need to know the new rate to determine whether or not they want to purchase the service. Company tariffs are available to customers through numerous sources for research on current tariff rates.</p> <p>(1)(c)(viii) It is inappropriate to require companies to divulge proprietary revenue information in order to change the rate for any service. Such information is irrelevant to a customer's decision as to whether or not they chose to purchase a service. Revenue increases are speculative and it would be inappropriate to require a company to speculate in a tariff filing.</p>	<p>(1)(c)(iii): Staff agrees that the proposed rule should not require that all customers understand the proposed change. The intent of the proposed draft is to require clear notice so that customers have a reasonable chance of understanding the proposed change.</p> <p>(1)(c)(v-vi): Staff disagrees with the company. As stated above the intent is to require clear notice. A notice that just says what the rate will be does not inform the customer as to what the significance of the rate change. Tariffs are not easily available or understandable to the public. The first type of information that a customer looks for are the rates both current and proposed. Customers want to know how the proposal will financially affect them.</p> <p>(1)(c)(viii): This information is not considered proprietary. The intent of this rule is to provide clear notice. Staff is open to remove this one item as long as the current rate and the proposed rate is included in the notice to customers.</p>

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	U S WEST	(1)(d) Companies should be allowed to use newspaper ads to target the areas affected by a change. This method of notice is often far less costly and more efficient for companies and their customers. Most customers do not review inserts into a bill while most do subscribe to local papers as a source for news and community information. Customers would be more likely to receive notice through an ad and have to pay less for the cost of the notice through their rates if this more efficient and effective method were used.	(1)(d) Companies are welcome to augment direct notice with newspaper ads. If companies can demonstrate in this proceeding that more people receive and read newspaper advertisements then receive direct notice on their bill staff would be willing to consider using an alternative method to notice. However, Staff believes that newspaper ads are not appropriate for customer notification of a company's proposal to increase rates. Not all potentially affected customers subscribe to newspapers. Let's say you are a Tenino resident. How would the company know which newspaper the customer subscribes to? The Chronicle which is a Centralia newspaper, the Tenino Independent, or the Olympian - maybe even the Tacoma News Tribune. Furthermore, what section of the newspaper would companies propose to place the ad? Staff believes if the customer has an account with the telephone company, that the customer has a right to receive a direct notice of a change that may affect their service. One known fact is that every affected customer receives a monthly bill.

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	U S WEST	Requirements in (2) would add additional notice responsibilities beyond what is required today.	(2) This section is consistent with the Governor's order. It allows a company to postpone a notice to customers on certain types of changes until after the commission has acted. Historically, these notices have been issued prior to commission action. This change in practice allows the company to incorporate the notice into their normal billing cycle and after the UTC has acted. This is not an additional notice requirement.
	U S WEST	Requirements in (4) remove the need for a rule at all as they open the process up to confusion and inconsistency. Either there is a need for a uniform rule or the commission should deal with notice on a case by case basis, but not both. There should not be two standards for notice, one for competitive companies and one for competitive services. - including whether or not they are competitive - 10 days for price listed services and 30 days for tariffed services. In a competitive environment, carriers should all be treated equally and fairly. Most every company has competitive services. Because one company is not entirely classified as competitive does not mean it should have differing requirements where the service in question is competitive.	Staff agrees with USW comment that the "rule makes clear under what circumstances notice is reasonable and gives companies fair notice as to when they will be required to notice customers." But in the dynamic telecommunications market, there are situations where these rules may not aptly cover a situation that deserves customer notice. The UTC track record of working with companies in these situations is well established. For example, the change in primary toll carrier is not a change that can be anticipated and described in rule yet it requires customer notice and education. Staff is willing to work on language on this section to increase comfort level.

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	U S WEST	There should not be two standards for notice, one for competitive companies and one for competitive services. The types of notice should be based on the types of services (including whether or not they are competitive - for example, 10 days for price listed services and 30 days for tariffed services). In a competitive environment, carriers should all be treated equally and fairly. Today, most every company has competitive services. Because one company is not entirely classified as competitive does not mean it should have differing requirements where the service in question is competitive.	Finally, regarding USW concern that there should not be two standards for notice, one for competitive companies and one for competitive services, staff agrees. We do not believe the proposed rule requires two standards.
<p>WAC 480-120-X14 Customer notice - non-competitive telecommunications company.</p> <p>WAC 480-120-X15 Customer notice - competitively classified telecommunications companies.</p>	Public Counsel	PC supports this proposed rule.	